

HOUSE BILL 1226
By Sargent

AN ACT to amend Tennessee Code Annotated, Section 67-4-1425, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1425, is amended by deleting all existing language and substituting instead the following:

Section 67-4-1425

(a) After May 12, 1988, any private act which authorizes a city or county to levy a tax on the privilege of occupancy of a hotel shall limit the application of such tax as follows:

(1) A city shall only levy such tax on occupancy of hotels located within its municipal boundaries; and

(2) A county shall only levy such tax on occupancy of hotels located within its boundaries.

(b) The provisions of this section shall be applied prospectively only and all private acts levying taxes on the privilege of occupancy of hotels which are enacted prior to May 12, 1988, shall remain in full force and effect. For the purposes of this section, "enacted" means passed by both houses of the general

assembly and signed by the governor and approved in accordance with the constitution of Tennessee, article XI, § 9.

(c) The provisions of this section do not apply to any city which has constructed a qualifying project or projects under the Convention Center and Tourism Development Financing Act of 1998, compiled in title 7, chapter 88. Further, § 67-4-503 shall not be applicable to such cities as it relates to the authority to levy an occupancy tax.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, then all provisions and applications of this act are declared to be invalid and void.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.